GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3032
ANSWERED ON:16.03.2001
FOREIGN CAPITAL IN FLOW
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Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank report has revealed that Foreign Capital Flow to India is declining and it has come down to US Dollar 2.1 billion during 1999, 2.6 billion during 1998 and 3.5 billion during 1997 respectively;

(b) if so, the reasons therefor;

(c) whether according to World Bank report, India`s total debt (foreign) stock stood at US Dollar 94.3 billion in 1999 as against 97.6 billion, indicating a decline in capital inflow; and

(d) if so, the details thereof alongwith the reasons therefor?

Answer

Minister of State in the Ministry of Finance (Balasaheb Vikhe Patil)

(a)&(b) : The Government have been consistently making efforts to invite investments into the country. In fact, the total foreign capital inflow has increased from US $ 2.7 billion in 1998 to US $ 4.04 billion in 1999.

(c)&(d) : As per the Advance Release of Global Development Finance Report, India`s external debt for 1999 is US $ 94.3 billion compared to US $ 98.2 billion for 1998. It is Government`s endeavor to attract more of equity based capital inflows.